

Unlike the previous two quarters, the sector's growth in microcredit decelerated marginally in the third quarter of 2008 as active borrowers grew by only 7 percent. This decline was more pronounced in terms of value than active borrowers, coming down to 9 percent from the 19 percent growth of the last quarter. In absolute terms also, the net increase in active borrowers was the lowest this year. This is attributable to NRSP which - after being the biggest contributor to sector expansion over the past few months - posted its lowest absolute increase in active borrowers for this year i.e. 29,000 compared to 80,000 for the past three months. In other MFPs, BRAC continued its rapid expansion and posted the highest percentage increase in active borrowers for the second consecutive quarter.

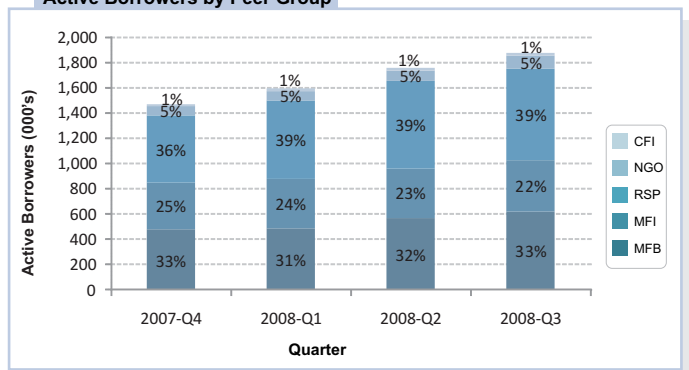
In terms of active borrowers, rural support programs (RSPs) maintained their position as the dominant peer group (for definitions of peer groups please refer to the back cover of the report), while microfinance banks (MFBs) marginally increased their market share once again. This steady expansion of MFBs is due largely to the modest yet consistent growth of FMFBL. Most of the credit indicators remained essentially the same: group lending heavily outweighed individual lending and the urban/rural divide tilted slightly in favor of rural borrowers. As female focused MFPs have slowed expansion, the gender distribution of the sector's borrowers has once again begun to favor the male clients compared to December 2007 and March 2008 when the sector posted an even gender distribution of the borrowers' portfolio. Bahawalpur once again emerged as the most active microfinance market with the highest penetration rate of all districts, with Lahore as a close second. The overall penetration rate in the country increased.

Growth in savings picked up in terms of active savers, increasing to 7 percent from the 1 percent in the last quarter. Interestingly however, growth in the overall value of savings decreased significantly, falling to 6 percent from the 12 percent posted previously. This dip can be accredited to FMFBL as the bank only added Rs. 70 million to its deposits compared to Rs. 500 million in the second quarter. The biggest contributor in terms of increase in active savers was once again NRSP, which continues to dominate the market with a 54.4 percent share. Largely because of this, RSPs continued to be the dominant peer group in terms of active savers, despite marginal increases in the market shares for MFBs and NGOs.

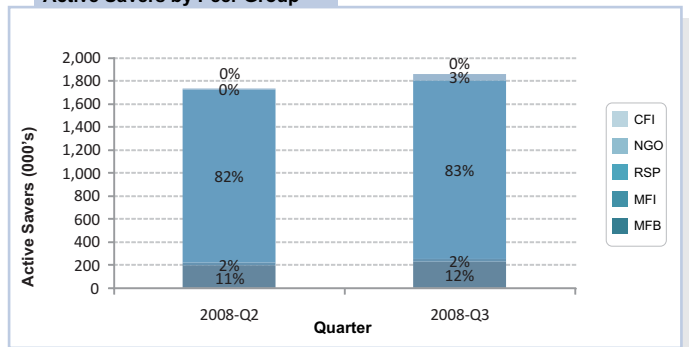
Micro-insurance outreach once again posted astronomical growth with an increase of 26 percent in policy holders, and 126 percent in insured sum. However it is important to note that NRSP made a few adjustments in the reporting of its insurance portfolio (see end notes). The apparent growth, therefore, is more indicative of these adjustments as opposed to an actual increase in insurance outreach. Similarly, growth in the share for RSPs in terms of policy holders and insured sum, as well as NRSP's share in the market, are also largely accountable to the abovementioned adjustments. Another major change was the increase in the market share for Khushhali Bank (KB) - 16.4 percent from the 8.2 percent posted last quarter. As with NRSP, this is largely due to alterations in their reporting rather than actual growth (see end notes). KB's apparent growth is the major reason the gender distribution favored female policy holders more than the previous quarter as their share rose to 64 percent from 59 percent. With a 100 percent increase in policy holders, Bahawalnagar emerged as the district with the highest percentage growth; followed closely by Bahawalpur at 90.5 percent.

	Microcredit		Micro-Savings		Micro-Insurance	
	Active Borrowers	Value (PKR Millions)	Active Savers	Value (PKR Millions)	Policy Holders	Sum Insured (PKR Millions)
2008-Q2	1,754,118	19,648	1,732,950	4,692	1,576,381	15,183
2008-Q3	1,871,508	21,427	1,857,737	4,961	2,300,289	37,824
Increase (Net)	117,390	1,779	124,787	269	723,908	22,642
Increase (%)	7	9	7	6	46	149

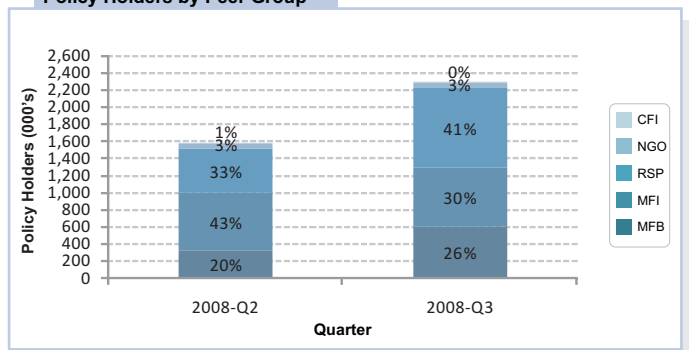
Active Borrowers by Peer Group



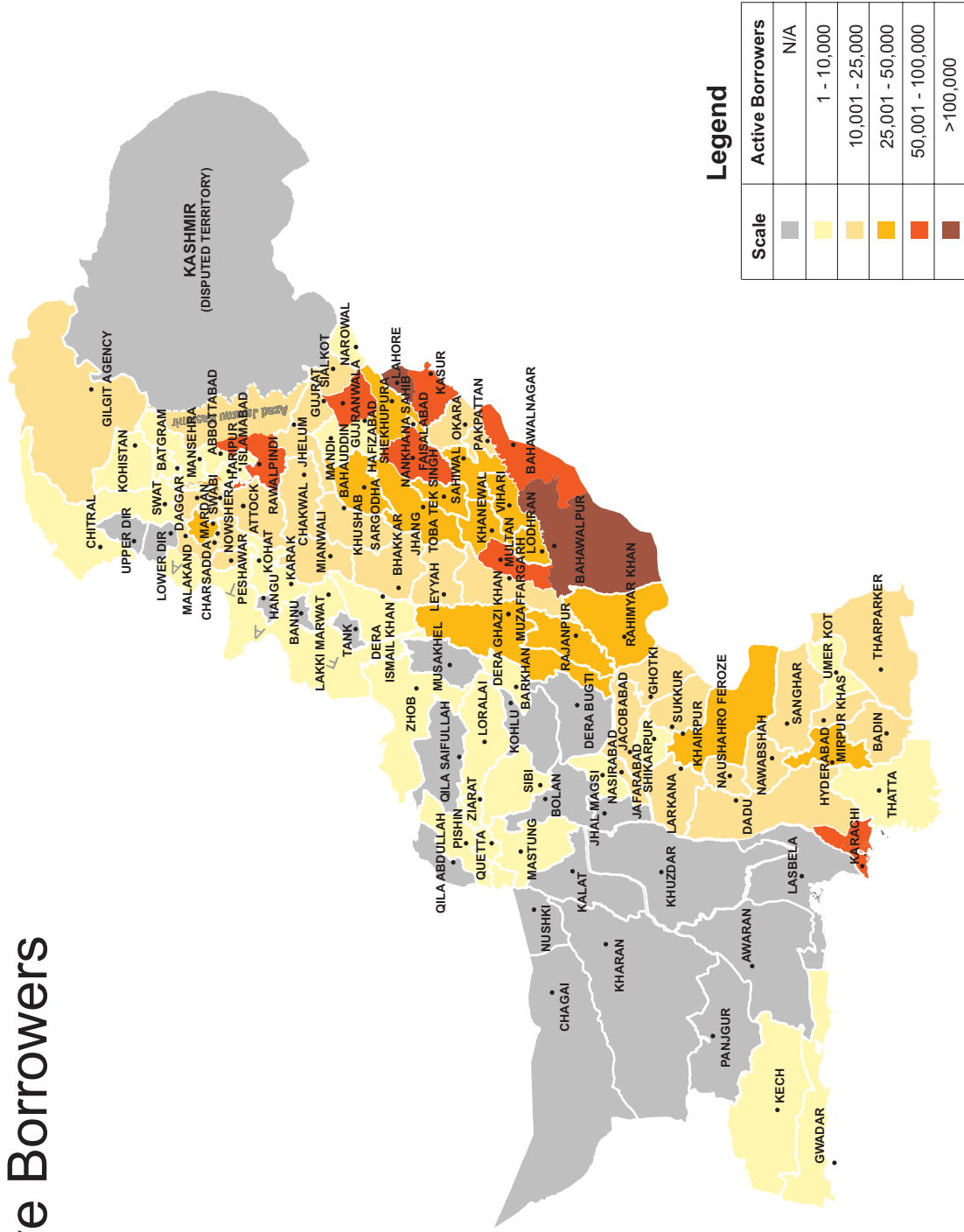
Active Savers by Peer Group



Policy Holders by Peer Group



Distribution of Active Borrowers

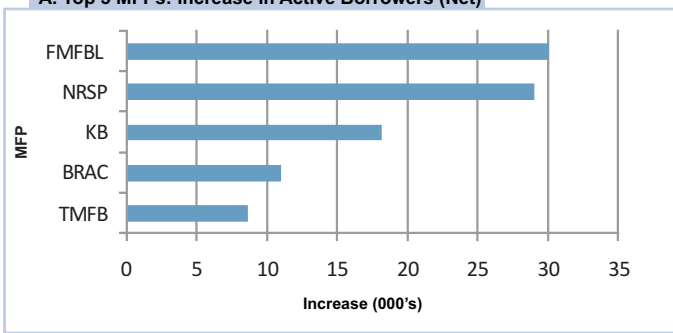


* Geographical boundaries for new districts demarcated in 2004-06 have not been made available by Survey of Pakistan. The following districts are therefore, not shown on the map: Sehwan Sharif, Jamshoro (Dadu); Matyari, Tando Allahyar, Tando Muhammad Khan (Hyderabad); Sheddadkot (Larkana); Mingora (Swat); Sherani (Zhob)

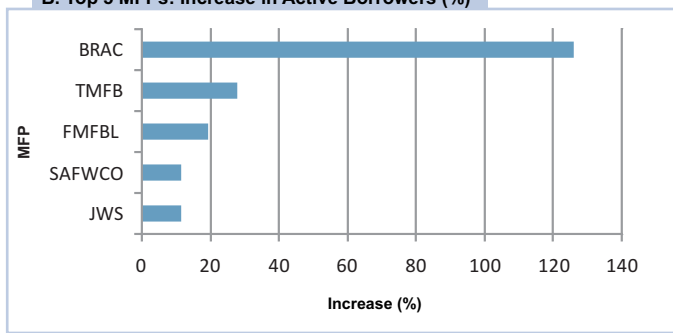
MARKET HIGHLIGHTS (JUL 1, 2008 – SEP 30, 2008)

MICROCREDIT

A. Top 5 MFPs: Increase in Active Borrowers (Net)



B. Top 5 MFPs: Increase in Active Borrowers (%)



C. Largest Providers of Microcredit (Active Borrowers)

	MFP	Active Borrowers (30-Sep)	Market Share (% of Active Borrowers)
1	NRSP	604,776	32.3
2	KB	377,486	20.2
3	Kashf	322,669	17.2
4	FMFBL	185,202	9.9
5	PRSP	76,938	4.1

D. MFPs with Largest Geographic Spread

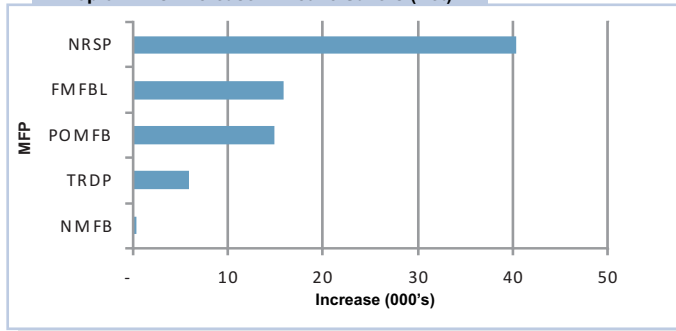
	MFP	Geographic Spread (No. of Districts)
1	KB	89
2	NRSP	51
3	FMFBL	45
4	Kashf	24
5	PRSP	20

E. Districts with Highest Growth (Net)

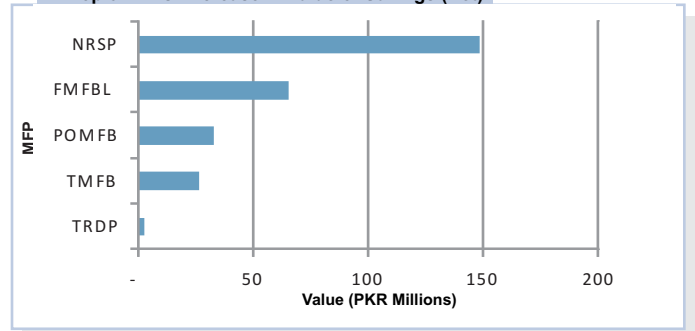
	Province	District	Active Borrowers (30-Sep)		Growth (1 Jul to 30 Sep)		Potential Microfinance Market (2007)	Penetration Rate (%)
			A	Net	%	B		
1	Balochistan	Jafarabad	3,484	1,076	44.7	121,911	2.86	
2		Nasirabad	2,882	819	39.7	75,783	3.80	
3		Gwadar	2,279	177	8.4	55,537	4.10	
1	N.W.F.P	Peshawar	18,136	7,816	75.7	451,548	4.02	
2		Abbottabad	6,180	1,021	19.8	180,672	3.42	
3		Chitral	8,827	483	5.8	84,846	10.40	
1	Punjab	Lahore	186,574	12,554	7.2	872,760	21.38	
2		Bahawalpur	108,396	11,344	11.7	461,777	23.47	
3		Lodhran	34,544	7,471	27.6	261,693	13.20	
1	Sindh	Larkana	19,132	3,117	19.5	534,891	3.58	
2		Dadu	14,301	3,090	27.6	447,305	3.20	
3		Ghotki	11,814	2,827	31.5	248,442	4.76	
1	AJK	Muzaffarabad	8,989	1,298	16.9	-	-	
2		Kotli	5,884	571	10.7	-	-	
3		Bagh	1,502	142	10.4	-	-	
1	FANA	Ghizer	5,805	200	3.6	-	-	
2		Ghanche	3,072	199	6.9	-	-	
3		Astore	2,261	-81	-3.5	-	-	
1	FATA	Orakzai	299	48	19.1	-	-	
2		Bajaur	240	19	8.6	-	-	
3		Mohmand	305	10	3.4	-	-	
1	ICT	Islamabad	4,353	197	4.7	74,750	5.82	

MICRO-SAVINGS

A. Top 5 MFPS: Increase in Active Savers (Net)



B. Top 5 MFPS: Increase in Value of Savings (Net)



C. Largest Providers of Micro-Savings (Active Savers)

	MFP	Active Savers (30-Sep)	Market Share (% of Active Savers)
1	NRSP	983,878	54.4
2	PRSP	333,714	18.4
3	TRDP	222,166	12.3
4	FMFBL	130,092	7.2
5	TMFB	66,680	3.7

D. Districts with Highest Outreach (Active Savers)

	District	Active Savers (30-Sep)	Increase (1 Jul - 30 Sep)	
			Net	%
1	Tharparkar	122,784	3,154	2.6
2	Bahawalpur	111,263	5,844	5.5
3	Karachi	63,875	-4,139	-6.1
4	Bhawalnagar	55,733	6,078	12.2
5	Badin	51,528	5,928	13.0

MICRO-INSURANCE

A. Largest Providers of Micro-Insurance (Policy Holders)

	MFP	Policy Holders (30-Sep)	Market Share (% of Policy Holders)
1	NRSP	890,808	45.0
2	KASHF	628,334	31.7
3	KB	377,486	9.3
4	FMFBL	185,202	2.9
5	TRDP	46,174	2.3

B. Districts with Highest Outreach (Policy Holders)

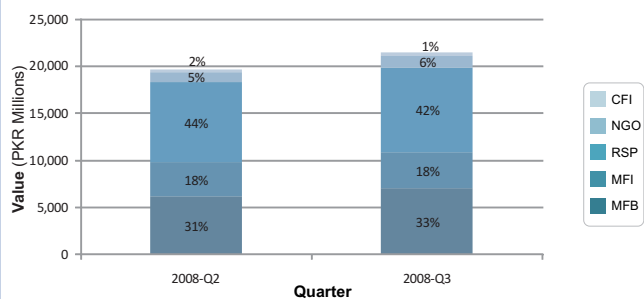
	District	Policy Holders (30-Sep)	Increase (1-Jul to 30-Sep)	
			Net	%
1	Lahore	214,170	12,224	5.8
2	Bahawalpur	156,895	74,555	90.5
3	Karachi	98,359	4,022	4.3
4	Faisalabad	93,570	726	0.8
5	Bhawalnagar	89,258	44,623	100.0

SUMMARY OF MICROCREDIT PROVISION (All Pakistan)

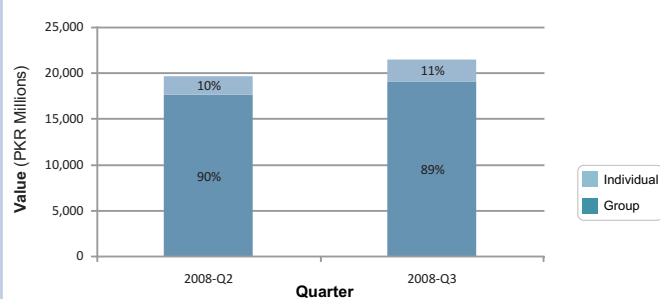
Exchange Rate (Sep 2008): PKR/USD = 78.3/1

Indicator	Total	Lending Methodology		Peer Group				
		Group	Individual	MFB	MFI	RSP	NGO	CFI
Number of Branches/Units								
2008-Q2	1,515	-	-	326	237	830	105	17
2008-Q3	1,594	-	-	357	238	862	118	19
Active Borrowers								
2008-Q2	1,754,118	1,636,488	117,630	566,343	396,526	691,389	79,850	20,010
2008-Q3	1,871,508	1,740,230	131,278	622,960	405,874	721,682	101,128	19,864
Gross Loan Portfolio (PKR Millions)								
2008-Q2	19,648	17,665	1,983	6,185	3,597	8,552	997	318
2008-Q3	21,427	19,061	2,366	7,021	3,889	8,915	1,274	324
Average Loan Balance (PKR)								
2008-Q2	11,201	10,794	16,860	10,921	9,072	12,369	12,481	15,866
2008-Q3	11,449	10,953	18,025	11,278	9,582	12,353	12,595	16,286
Number of Loans Disbursed								
2008-Q2	705,199	669,428	35,771	206,874	147,319	327,684	19,826	3,496
2008-Q3	448,332	409,410	38,922	128,712	160,312	126,114	29,267	3,927
Disbursements (PKR Millions)								
2008-Q2	10,677	9,791	886	2,872	1,831	5,589	317	69
2008-Q3	6,500	5,519	990	1,931	2,088	1,964	448	78
Average Loan Size (PKR)								
2008-Q2	15,141	14,626	24,774	13,884	12,426	17,056	15,975	19,623
2008-Q3	14,518	13,480	25,428	15,000	13,028	15,572	15,296	19,872

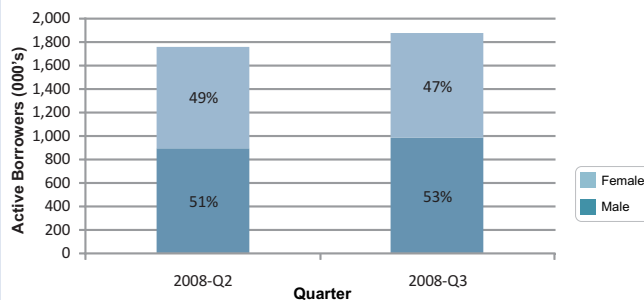
Gross Loan Portfolio



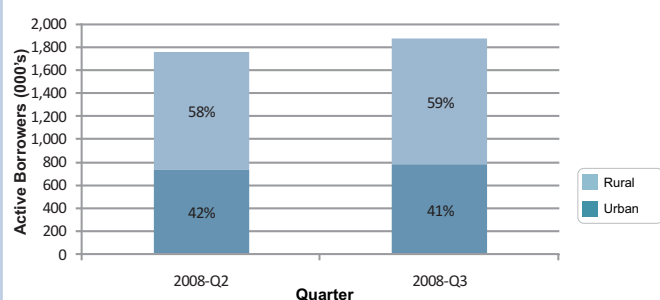
Gross Loan Portfolio by Methodology



Active Borrowers by Gender

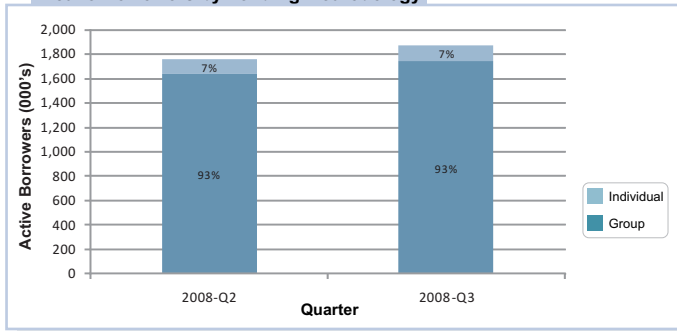


Active Borrowers by Rural/Urban

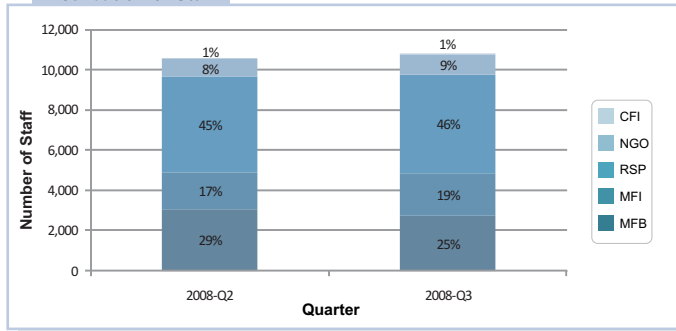


SUMMARY OF MICROCREDIT PROVISION (All Pakistan)

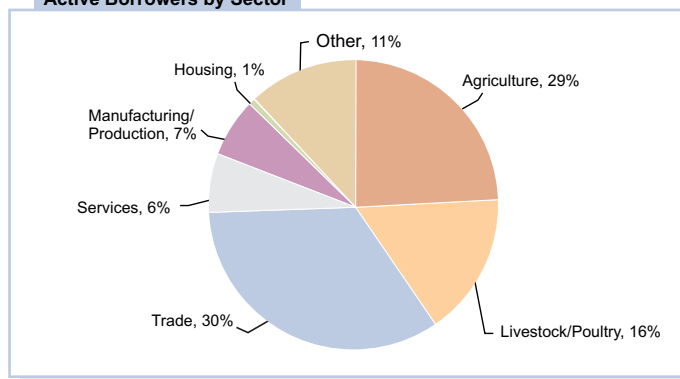
Active Borrowers by Lending Methodology



Distribution of Staff



Active Borrowers by Sector



SUMMARY OF MICRO-SAVINGS PROVISION (All Pakistan)

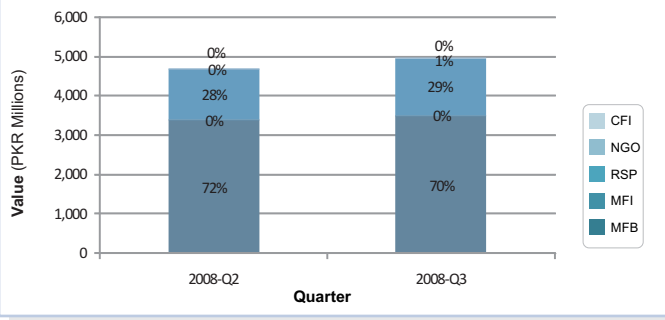
	Total	Saving Methodology		Peer Group				
		Intermediation	Mobilization	MFB	MFI	RSP	NGO	CFI
Number of Savers								
2008-Q2	1,732,950	205,712	1,526,933	194,129	28,483	1,505,326	5,012	-
2008-Q3	1,857,737	205,712	1,526,933	224,176	28,433	1,551,710	53,418	-
Value of Saving (PKR Millions)								
2008-Q2	4,692	3,376	1,316	3,376	5	1,309	2	-
2008-Q3	4,961	3,481	1,474	3,481	5	1,446	23	-
Average Saving Balance(PKR)								
2008-Q2	2,707	16,410	862	17,389	189	869	442	-
2008-Q3	2,670	15,554	902	15,554	173	932	437	-

Saving Methodology:

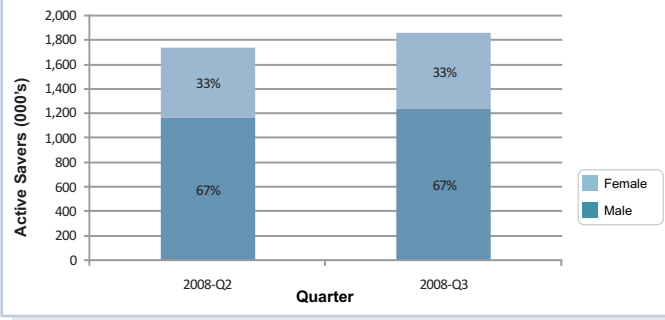
- 1. Intermediation:** Public deposits used to finance an organization's loan portfolio. Only SBP-regulated MFPs (CFIs and MFBs) can accept and intermediate deposits from the general public.
- 2. Mobilization:** MFPs not regulated by SBP (MFIs, NGOs, RSPs) can neither hold nor intermediate deposits from the general public. These organizations do however mobilize savings from their members/clients to place with licensed commercial banks.

SUMMARY OF MICRO-SAVINGS PROVISION (All Pakistan)

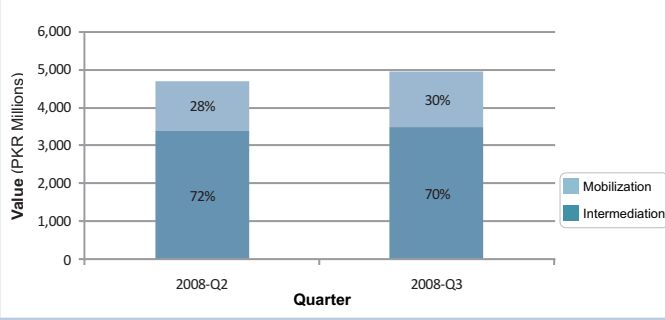
Value of Savings by Peer Group



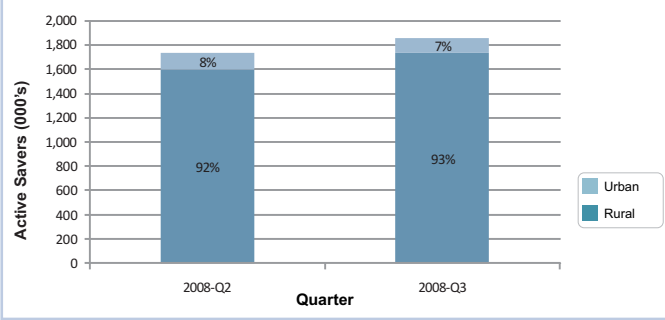
Active Savers by Gender



Value of Saving by Saving Methodology



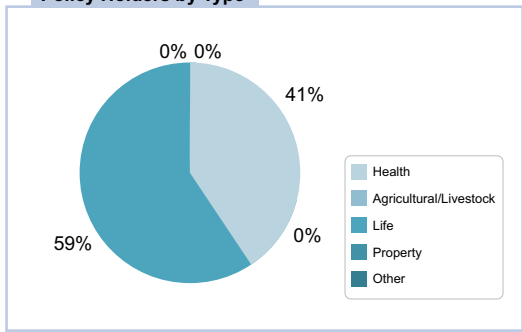
Active Savers by Urban/Rural



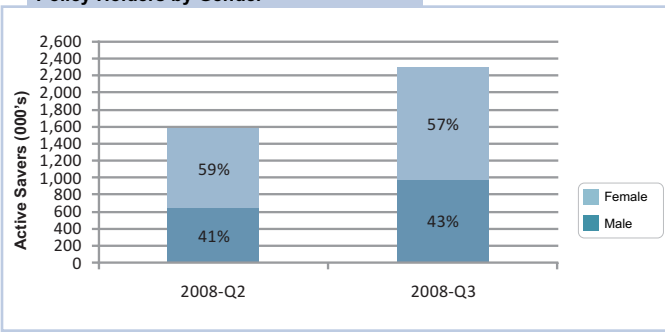
SUMMARY OF MICRO-INSURANCE PROVISION (All Pakistan)

	Total	Type		Peer Group				
		Health	Life	MFB	MFI	RSP	NGO	CFI
Number of Policy Holders								
2008-Q2	1,576,381	523,390	1,052,991	315,762	675,783	523,390	49,207	12,239
2008-Q3	2,300,289	936,982	1,363,307	602,409	685,121	936,982	62,810	12,967
Sum Insured (PKR Millions)								
2008-Q2	15,181	-	-	4,036	3,269	7,230	424	225
2008-Q3	37,824	-	-	6,782	3,503	26,730	569	240

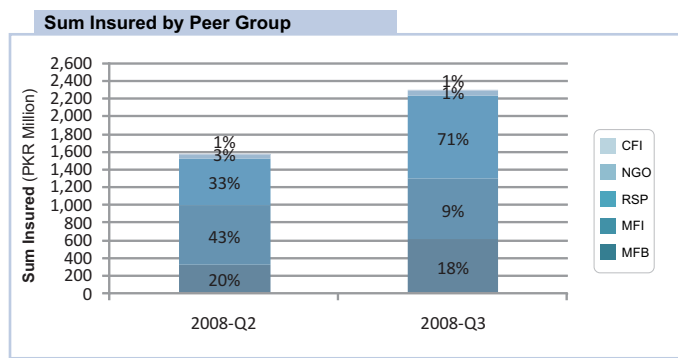
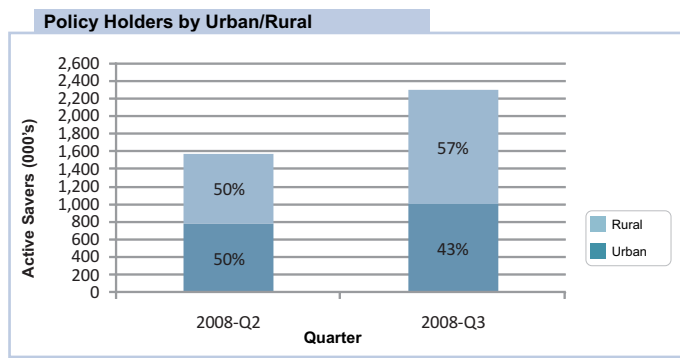
Policy Holders by Type



Policy Holders by Gender



SUMMARY OF MICRO-INSURANCE PROVISION (All Pakistan)



OUTREACH (District Level)

BALUCHISTAN

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Awaran										26,054
Barkhan	KB	1	0	971	6,644,949	-	-	16	131,500	31,881
Bolan										66,423
Chagai ¹										54,814
Dera Bugti										43,770
Gwadar	FMFBL KB NRSP POMFB	5	0	2,279	15,428,107	8,739	2,780,113	1,735	39,611,450	55,537
Jafarabad	KB	1	0	3,484	41,185,169	-	-	1,130	13,231,300	121,911
Jhal Magsi										29,887
Kalat										53,884
Kech (Turbat)	NRSP	4	0	26	272,892	32,478	6,844,903	52	1,560,000	92,271
Kharan										47,948
Khuzdar										104,104
Kohlu										26,910
Lasbela										84,637
Loralai	KB	2	0	1,982	12,725,808	-	-	168	1,787,300	76,879
Mastung	KB	1	0	367	2,279,954	-	-	16	160,000	41,317
Musakhel										27,545
Nasirabad	KB	1	0	2,882	30,471,099	-	-	843	9,000,200	75,783
Nushki ³										-
Panjgur										51,074
Pishin	KB	1	0	1,325	9,796,245	-	-	31	320,500	100,179
Qila Abdullah										115,112
Qila Saifullah										44,345
Quetta	FMFBL KB OPP	6	0	4,667	25,265,862	1,084	32,494,000	1,000	10,117,623	174,437
Sherani ³										-
Sibi	KB	1	0	1,956	13,081,397	-	-	3	35,000	48,944
Washuk										-
Zhob ⁴	KB	1	0	774	4,428,232	-	-	24	214,000	53,848
Ziarat	KB	1	0	18	70,621	-	-	-	-	7,268
Total		25	0	19,208	142,896,990	39,081	73,914,466	6,727	72,969,546	1,656,762

OUTREACH (District Level)

NWFP

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Abbottabad	KB SRSP	3	0	6,180	23,072,747	12,821	3,896,130	2,100	12,100,000	180,672
Bannu										167,380
Batgram	KB	2	0	860	2,151,787	2,815	109,165	504	1,976,000	58,257
Buner (Daggar)										133,171
Charsadda	BRAC KB NRSP	20	0	13,071	129,624,789	9,665	1,168,201	16,519	457,434,900	271,736
Chitral	BOK FMFBL	6	0	8,827	181,667,305	13,821	219,693,108	8,113	157,487,425	84,846
D.I. Khan	BOK KB	2	0	5,776	70,090,953	-	-	1,246	17,299,900	221,328
Hangu										64,648
Hariapur	SRSP KB SRSP	4	0	4,568	53,658,772	22,107	7,113,144	642	9,428,900	103,830
Karak	KB	1	0	2,167	15,496,442	-	-	494	5,196,000	102,174
Kohat	BOK KB SRSP	3	0	5,568	34,767,888	2,858	1,434,090	470	5,394,400	114,908
Kohistan	KB	1	0	368	664,800	-	-	231	693,000	73,374
Lakki Marwat										107,505
Lower Dir										176,660
Malakand	KB NRSP	20	0	11,476	157,294,916	16,684	2,728,974	18,549	543,233,700	106,429
Mansehra	KB POMFB	3	0	4,322	20,541,414	8,314	12,390,106	1,110	6,300,000	271,288
Mardan	BOK KB NRSP	45	0	33,301	387,190,502	27,283	7,836,925	53,129	1,578,949,900	354,988
Mingora ⁵	BOK KB	2	0	1,929	20,777,185	-	-	136	1,467,700	-
Nowshera	BRAC KB NRSP SRSP	18	0	18,029	132,503,405	1,970	987,101	15,142	369,306,700	201,208
Peshawar	BOK BRAC KB OLP SRSP NRSP OLP SRSP	13	0	18,136	162,026,641	2,114	1,061,599	16,374	435,092,300	451,548
Shangla	KB	1	0	1,189	4,894,701	-	-	614	1,987,000	116,366
Swabi	KB NRSP SWWS	13	2	11,434	113,288,572	13,767	3,928,154	15,208	448,844,600	230,073
Swat ⁶	NRSP	9	0	3,563	34,802,697	4,945	751,607	-	-	286,555
Tank										62,446
Upper Dir										142,427
Total		166	2	150,764	1,544,515,516	139,165	263,098,305	150,581	4,052,192,425	4,083,817

OUTREACH (District Level)

PUNJAB

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Attock	KASHF KB NRSP POMFB	57	0	19,606	178,313,365	47,138	94,522,844	17,983	495,210,967	262,870
Bahawalpur	FMFBL KASHF KB NRSP TMFB	38	0	108,396	1,688,609,496	111,263	245,876,573	143,529	4,010,202,733	461,777
Bhakkar	KB NRSP	30	0	24,447	257,226,814	45,990	26,975,605	45,862	1,360,620,000	252,453
Bhawalnagar	KB NRSP	9	0	52,906	881,936,500	55,733	129,061,881	77,434	2,301,665,500	427,843
Chakwal	KB NRSP POMFB	38	0	15,291	148,957,181	35,897	71,477,356	14,743	436,069,800	219,565
D.G. Khan	FMFBL KB NRSP	19	0	26,421	358,328,325	30,124	59,835,304	19,551	501,778,884	419,252
Faisalabad	AKHUWAT ASASAH FMFBL KASHF KB NRSP PRSP RCDS TMFB	78	0	96,852	845,862,536	40,036	37,434,644	87,490	491,197,915	1,096,924
Gujranwala	ASASAH FMFBL JWS KASHF KB NRSP OPD OPP ⁷ PRSP TMFB	48	0	63,196	780,934,627	32,430	17,769,700	75,224	684,605,471	735,741
Gujrat	AKHUWAT KASHF KB NRSP PRSP TMFB	13	0	15,170	163,955,593	12,320	7,370,255	17,435	122,973,680	446,630
Hafizabad	KASHF KB PRSP	6	0	9,853	91,123,113	7,020	1,402,342	10,502	52,390,593	231,170
Jhang	AKHUWAT FMFBL KASHF KB NRSP PRSP	30	0	25,367	233,447,130	14,014	27,362,976	34,400	478,045,144	626,546
Jhelum	KB NRSP	32	0	13,889	129,136,972	16,942	16,975,721	14,392	426,927,300	170,498
Kasur	ASASAH CSC DAMEN FMFBL KASHF KB OLP PRSP RCDS TMFB	28	0	54,119	513,542,717	9,193	10,337,126	62,238	448,504,767	586,427

OUTREACH (District Level)

PUNJAB

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Khanewal	AKHUWAT ASASAH KASHF KB NRSP PRSP	15	0	29,115	333,839,805	27,381	28,454,198	53,116	1,082,445,508	432,948
Khushab	KASHF KB NRSP OPP	34	0	21,000	178,251,149	48,894	48,680,644	38,387	989,321,583	235,163
Lahore	AKHUWAT ASASAH BOK BRAC CSC DAMEN FMFBL KASHF KB NRSP OLP OPP PRSP TMFB	131	0	186,574	1,890,697,612	41,654	77,071,857	214,170	1,495,962,350	872,760
Layyah	KB PRSP	6	0	14,762	200,850,672	14,205	16,196,018	1,540	17,812,994	263,251
Lodhran	AKHUWAT FMFBL KB NRSP	12	0	34,544	635,263,647	41,712	100,878,472	39,858	1,102,949,842	261,693
Mandi Bahauddin	KASHF KB PRSP	6	0	8,426	66,830,702	10,914	425,962	5,992	25,127,521	298,371
Mianwali	KB NRSP	31	0	21,310	185,880,495	23,787	2,084,615	38,278	1,134,089,400	252,413
Multan	AKHUWAT ASASAH BRAC FMFBL KASHF KB NRSP OLP PRSP	65	0	75,642	861,606,483	47,051	128,779,113	67,286	1,248,158,918	689,339
Muzaffargarh	KB NRSP PRSP	5	0	8,048	73,380,809	18,308	2,327,962	10,355	299,421,500	570,580
Nankana Sahib ⁹	DAMEN RCDS	7	-	5,795	213,337,916	-	-	235	1,237,866	-
Narowal	KB NRDP PRSP	6	-	8,291	96,023,294	24,124	1,635,426	777	8,830,000	268,902
Okara	ASASAH DAMEN FMFBL KASHF KB PRSP TMFB	13	0	20,369	211,303,744	18,088	19,478,287	19,129	149,973,051	509,842
Pakpattan	ASASAH KASHF KB NRSP PRSP	9	0	24,567	340,939,842	22,799	28,097,634	37,319	845,260,171	281,988
Rahimyar Khan	FMFBL KASHF KB NRSP TMFB	40	0	39,899	589,252,622	26,202	94,252,322	51,071	1,018,515,796	585,705
Rajanpur	KB NRSP	7	0	27,132	391,322,054	20,917	56,358,530	32,569	957,087,400	260,436

OUTREACH (District Level)

PUNJAB

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Rawalpindi	AKHUWAT FMFBL KASHF KB NRSP OPP* POMFB	77	0	53,131	456,637,096	51,528	67,255,759	28,769	407,575,960	327,457
Sahiwal	ASASAH BRAC FMFBL KASHF KB NRSP OLP PRSP	21	0	35,069	367,015,050	33,856	24,274,780	48,338	729,795,028	395,468
Sargodha	KASHF KB NRSP PRSP	41	0	39,855	366,254,582	24,967	4,997,225	51,302	675,177,910	671,679
Sheikhupura	AKHUWAT DAMEN KASHF KB OLP PRSP RCDS	20	0	28,626	398,301,198	6,069	1,467,755	28,977	208,144,787	831,522
Sialkot	KASHF KB NRSP PRSP	23	0	20,386	202,634,326	29,989	5,830,056	10,941	92,307,604	501,997
Toba Tek Singh	KASHF KB NRSP PRSP	9	0	23,487	274,478,630	25,876	13,016,481	31,227	655,567,835	309,316
Vihari	ASASAH FMFBL KASHF KB NRSP OLP	15	0	28,742	350,965,049	35,516	40,778,274	37,455	764,986,804	475,398
Total		1,019	0	1,279,600	14,956,441,146	1,051,937	1,508,743,697	1,467,874	25,719,942,582	15,233,924

SINDH

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Badin	FMFBL KB NRSP POMFB	9	0	11,795	140,572,236	47,097	46,042,753	10,176	232,236,333	294,781
Dadu	FMFBL KB OLP OPP ¹⁰ TRDP	25	0	14,301	149,164,660	35,802	45,411,421	14,826	43,584,802	447,305
Ghotki	FMFBL KB	4	0	11,814	143,837,256	4,666	13,643,100	4,520	60,458,768	248,442
Hyderabad ¹¹	FMFBL KB NRSP OPP POMFB SAFWCO TMFB	31	0	36,353	405,982,644	20,993	119,351,141	41,011	975,635,855	517,652

OUTREACH (District Level)

SINDH

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Jacobabad	FMFBL KB	4	0	12,031	145,506,156	1,896	69,671,300	3,646	43,969,235	361,146
Jamshoro ¹²	TRDP	3	0	816	5,421,746	10,380	8,076,290	-	-	-
Karachi ¹³	FMFBL KASHF KB NMFB NRSP OLP OPP POMFB RMFB TMFB	103	1	96,677	940,686,573	63,875	1,737,070,510	92,088	630,666,486	1,329,990
Khairpur ¹⁴	FMFBL KB OPP TRDP	11	0	24,819	334,200,141	26,256	57,000,409	21,869	125,744,432	401,853
Larkana	FMFBL KB	6	0	19,132	230,940,656	1,338	22,621,800	5,457	60,270,225	534,891
Matyari ¹⁵	FMFBL NRSP OPP SAFWCO	7	1	14,183	151,267,937	14,723	17,232,052	17,296	377,663,320	-
Mirpur Khas ¹⁶	FMFBL KB NRSP POMFB TMFB	12	0	16,999	215,884,290	41,528	20,223,345	16,345	393,996,163	210,494
Naushahro Feroze	FMFBL KB OPP	6	0	11,134	118,562,423	939	10,953,900	3,294	43,244,524	266,462
Nawabshah	FMFBL KB NRSP OPP SAFWCO	8	1	19,044	223,149,842	5,167	20,816,088	12,396	197,853,774	225,430
Sanghar	FMFBL KB OLP OPP SAFWCO	10	1	20,460	188,550,482	379	13,662,000	14,196	16,667,707	354,133
Sehwan Sharif	KB	1	0	1,985	15,069,699	-	-	107	1,527,400	-
Shehdad Kot										-
Shikarpur	FMFBL KB	1	0	2,144	20,750,988	-	-	1,001	9,930,000	237,633
Sukkur	FMFBL KB OPP	9	0	11,486	123,606,476	1,863	15,099,600	5,102	56,876,818	213,080
Tando Allahyar ¹⁷	FMFBL KB NRSP POMFB	5	0	8,751	95,960,769	16,520	29,134,854	6,385	123,666,858	-
Tando Muhammad Khan	FMFBL KB NRSP POMFB	5	0	8,625	105,578,086	8,445	14,203,267	8,612	184,487,413	-
Tharparkar	FMFBL KB TRDP	25	0	11,172	97,565,417	122,784	112,165,071	12,907	27,810,165	245,046
Thatta	FMFBL KB NRSP	8	0	7,235	76,180,400	14,881	27,397,358	5,212	109,659,634	283,491
Umer Kot	FMFBL OPP TRDP	16	0	9,243	86,287,828	34,087	83,006,892	11,909	19,407,468	185,966
Total		309	4	370,199	4,014,726,705	473,619	2,482,783,151	308,355	3,735,357,380	6,357,795

OUTREACH (District Level)

AZAD JAMMU AND KASHMIR (AJK)

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market ¹⁸
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Bagh	NRSP	6	0	1,502	9,842,637	22,587	6,291,671	1,694	50,820,000	-
Bhimber	KB	1	0	1,043	2,623,390	-	-	187	701,000	-
Kotli	NRSP	11	0	5,884	45,846,993	16,122	3,472,154	12,596	377,880,000	-
Mirpur										-
Muzaffarabad	KB NRSP	12	0	8,989	69,331,090	21,794	16,459,723	6,360	150,526,912	-
Neelum	FMFBL KB	1	0	431	682,000	-	-	198	594,000	-
Poonch	KB NRSP	4	0	1,881	7,569,600	31,976	15,916,204	1,329	28,059,000	-
Sudhnati	NRSP	1	0	524	4,682,319	7,659	2,081,744	1,036	31,080,000	-
Total		36	0	20,254	140,578,029	100,138	44,221,496	23,400	639,660,912	-

FEDERALLY ADMINISTRATED NORTHERN AREAS (FANA)

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market ¹⁹
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Astore	FMFBL	1	0	2,261	51,611,507	1,888	9,315,000	2,261	51,611,507	-
Diamer	FMFBL	0	0	-	-	-	-	-	-	-
Ghanche	FMFBL	2	0	3,072	73,785,201	3,698	79,040,446	3,072	73,785,201	-
Ghizer	FMFBL	5	0	5,805	116,142,176	9,862	51,421,000	5,805	116,142,176	-
Gilgit	FMFBL	4	0	6,203	149,060,303	15,071	145,705,000	6,203	149,060,303	-
Skardu	FMFBL	3	0	5,762	131,121,012	6,465	97,533,035	5,762	131,121,012	-
Total		15	0	23,103	521,720,199	36,984	383,014,481	23,103	521,720,199	-

FEDERALLY ADMINISTRATED TRIBAL AREAS (FATA)

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market ²⁰
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Bajaur	KB	1	0	240	1,939,637	-	-	20	200,000	-
Khyber	KB	1	0	807	4,545,997	-	-	26	267,000	-
Kurram	KB	1	0	853	8,155,979	-	-	-	-	-
Mohmand	KB	1	0	305	2,136,565	-	-	32	315,000	-
North Waziristan										-
Orakzai	KB	1	0	299	2,809,099	-	-	49	490,000	-
South Waziristan										-
Total		5	0	2,504	19,587,277	-	-	127	1,272,000	-

ISLAMABAD CAPITAL TERRITORY (ICT)

District	MFP	Number of Branches/Units		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market
		Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)	
Islamabad	FMFBL NRSP POMFB	13	0	4,353	67,986,075	13,593	236,759,065	2,433	93,030,552	74,750

OUTREACH (ALL PAKISTAN)

Province	Offices		Microcredit		Micro-Savings		Micro-Insurance		Potential Microfinance Market	Penetration Rate (%)
	Fixed	Mobile	Active Borrowers	Gross Loan Portfolio (PKR)	Active Savers	Value of Savings (PKR)	Policy Holders	Sum Insured (PKR)		
Balochistan	25	-	20,731	161,650,335	42,301	42,119,016	5,018	76,168,873	1,656,762	1.25
N.W.F.P	166	2	150,764	1,544,515,516	139,165	263,098,305	150,581	4,052,192,425	4,083,817	3.69
Punjab	1,019	-	1,279,600	14,956,441,146	1,051,937	1,508,743,697	1,467,874	25,719,942,582	15,233,924	8.39
Sindh	309	4	370,199	4,014,726,705	457,193	2,482,783,151	308,355	3,735,357,380	6,357,795	5.82
AJK	36	-	20,254	140,578,029	100,138	44,221,496	23,400	639,660,912	-	-
FANA	15	-	23,103	521,720,199	36,984	383,014,481	23,103	521,720,199	-	-
FATA	5	-	2,504	19,587,277	-	-	127	1,272,000	-	-
ICT	13	-	4,353	67,986,075	13,593	236,759,065	2,433	93,030,552	74,750	5.82
Grand Total	1,588	6	1,871,508	21,427,205,282	1,857,737	4,960,739,211	1,980,891	34,839,344,923	27,407,048	6.82

OTHER NEWS ITEMS

Telenor Pakistan acquires Tameer Microfinance Bank

Telenor Pakistan entered into an agreement to acquire 51 percent shares in Tameer Microfinance Bank on 21st November 2008. The acquisition took place through a direct rights issue, for a Foreign Direct Investment (FDI) of USD 12.5 million (PKR 1 billion approximately). The proceeds from the rights issue will be used to finance further development of the bank. However, the transaction is subject to full regulatory approval. Telenor Pakistan is a 100 percent subsidiary of Telenor Group and a leading mobile operator in Pakistan with more than 18 million subscribers. Jon Eddy Abdullah, CEO of Telenor Pakistan said that the acquisition of 51 percent shares in Tameer Bank was a part of their strategy to offer financial services in Pakistan. Nadeem Hussain, President and CEO of Tameer Bank further commented on the deal and said "We are pleased with the deal we have entered. Telenor is a solid partner for further growth, and we have a common view about how financial and telecommunication sectors together can improve customer offerings by combining services".

Kashf Microfinance Bank commences Operations

Kashf Microfinance Bank Limited (KMBL) commenced its operations in Lahore on 2nd December 2008 with the inauguration of its first branch in Dharampura. Governor of the State Bank of Pakistan presided over the occasion. After the opening of the Branch, she addressed a gathering of eminent citizens, leaders of the social sector organizations and senior executives from the financial sector. KMBL's vision is to demonstrate a microfinance model that relies on locally mobilized depositors, thus ensuring long term access to financial services to low income communities. Over the next 5 years, KMBL intends to reach out to 1 million depositors and 450,000 entrepreneurs, through a network of over 100 branches across Pakistan. The branch network will be supplemented by 300 service posts closer to low income communities to make financial services available to the majority of unbanked population of Pakistan and ensure deeper penetration of financial services in the country.

SAFWCO's Client wins Best Micro-Entrepreneur Award

Ms. Sahabzadi, a 24 year old physically disabled client of Sindh Agricultural and Forestry Workers Coordinating Organization (SAFWCO), was declared the Best Female Entrepreneur at the 5th Citi-PPAF Micro-entrepreneurship Awards 2008. This award is the 7th in such categories to be awarded to SAFWCO clients over the last 4 years. Ms. Sahabzadi was awarded a cash prize along with a special award for her recovery from severe hardships. The awards were distributed by Shaukat Tarin, Advisor to Prime Minister on Finance, Revenue, Statistics and Economic Affairs at a ceremony held in Islamabad on 1st December 2008. Managed by Citibank (Citi) and the Pakistan Poverty Alleviation Fund, the objective of the Citi-PPAF Microentrepreneurship Awards programme is to illustrate and promote the effective role that microfinance plays in poverty alleviation around the world. The programme seeks to generate recognition for extraordinary contributions that individual microentrepreneurs have made to economic sustainability of their families as well as their communities in 27 countries across the globe.

END NOTES

- ¹ Chagai district was divided into two districts (Nushki and Chagai) in 2005. The potential microfinance market estimate for Chagai is therefore an overestimation (aggregate of potential markets for Nushki and Chagai).
- ² Population data for Nushki district is not available. Nushki was carved out of Chagai district in 2005. Thus, the potential microfinance market estimate for Chagai is an aggregate of the potential market for Chagai and Nushki.
- ³ Population data for Sherani district is not available. Sherani was carved out of Zhob district in 2005.
- ⁴ Zhob was divided into two districts (Zhob and Sherani) in 2005. The potential microfinance market estimate for Zhob is therefore an overestimation (aggregate of potential markets for Zhob and Sherani).
- ⁵ Population data for Mingora district is not available. Mingora was carved out of Swat district in 2005. Thus, the potential microfinance market estimate for the district of Swat is an aggregate of the potential market for Mingora and Swat.
- ⁶ Swat district was divided into two districts (Swat and Mingora) in 2005. The potential market estimate for Swat is therefore an overestimation (aggregate of potential markets for Mingora and Swat). The estimate is based on 1998 DCR population data available for Swat.
- ⁷ OPP does not provide retail microcredit services in Gujranwala and Khushab. It wholesales funds to partner organizations: Mehran Education Welfare Society, and Soan Valley Development Program, respectively.
- ⁸ Population data for the district of Nankana Sahib is not available. The district was carved out of Sheikhpura district in 2005. Thus, the estimate for the district of Sheikhpura is an aggregate of the potential market for Sheikhpura and Nankana Sahib (based on 1998 DCR population data available for Sheikhpura).
- ⁹ OPP does not provide retail microcredit services in Rawalpindi. It wholesales funds to a partner organization: Alfalah Development Organization.
- ¹⁰ OPP does not provide retail microcredit services in Dadu. It wholesales funds to a partner organization: Soofi Shah Inayat Shaheed Sanghat.
- ¹¹ Hyderabad district was divided into four districts in 2006. These are Hyderabad, Matyari, Tando Muhammad Khan, and Tando Allahyar. Thus, the potential microfinance market estimate for Hyderabad is an aggregate of all four resulting districts (based on 1998 DCR population data available for Hyderabad).
- ¹² Population data for Jamshoro district is not available. The district is new and was carved out of Dadu district in 2006. Thus, the estimate for Dadu also includes the estimate for the recently created Jamshoro district.
- ¹³ The market estimate for Karachi is the aggregate of four districts namely, Central, West, East, and South.
- ¹⁴ OPP does not provide retail microcredit services in Khairpur. It wholesales funds to partner organizations: Khajji Cooperative Society, Goth Seenghar, and Marvi Rural Development Organization.
- ¹⁵ Population data for Matyari district is not available. The district was carved out of Hyderabad district in 2006. Thus, the estimate for Hyderabad also includes the estimate for the recently created Matyari district.
- ¹⁶ OPP does not provide retail microcredit services in Mirpur Khas, Nawabshah, Naushahro Feroze, Thatta and Umer Kot. It wholesales funds to a number of partner organizations: Sindh Rural Partner Organization; Shah Sachal Sami Welfare Association; Village Welfare Society; Sindh Community Development Organization; Ghulam Qadir Group; and Shama Roshan Social Welfare Development Organization, respectively.
- ¹⁷ Population data for districts Tando Allahyar and Tando Muhammad Khan is not available. The districts were carved out of Hyderabad district in 2006. Thus, the microfinance market estimate for Hyderabad is an aggregate of the potential markets in the recently created Tando Allahyar, Matyari and Tando Muhammad Khan districts.
- ¹⁸ Due to unavailability of population data for the Azad Jammu and Kashmir (AJK) districts, the potential microfinance market could not be estimated.
- ¹⁹ Due to unavailability of population data for the Federally Administered Northern Areas (FANA) the potential microfinance market could not be estimated.
- ²⁰ Due to unavailability of population data for the Federally Administered Tribal Areas (FATA), the potential microfinance market could not be estimated.
- ²¹ NRSP provides insurance services to every individual in its credit portfolio as well as their respective spouses. The insurance figures for NRSP in the last quarter, however, only reported the borrowers themselves and not their spouses, which significantly under-represented their total number of policy holders.
- ²² KB previously reported data during the period instead of at the as the ending date of quarter. This quarter shows the figures for KB as at September 30th 2008.

REPORTING ORGANIZATIONS

Category	MFP	Reporting Period	
		Quarter 2	Quarter 3
		2008	2008
MFB Microfinance Bank licensed and prudentially regulated by the State Bank of Pakistan to exclusively service microfinance market	Khushhali Bank (KB)	✓	✓
	Network MicroFinance Bank Ltd. (NMFB)	✓	✓
	Pak-Oman Microfinance Bank Ltd. (POMFB)	✓	✓
	Rozgar Microfinance Bank Ltd. (RMFB)	✓	✓
	Tameer Microfinance Bank Ltd. (TMFB)	✓	✓
	The First MicroFinanceBank Ltd. (FMFB)	✓	✓
MFI Microfinance institution providing specialized microfinance services	Akhuwat	✓	✓
	Asasah	✓	✓
	Kashf Foundation	✓	✓
	Orangi Pilot Project (OPP)	✓	✓
	Sindh Agricultural and Forestry Workers Cooperative Organization (SAFWCO)	✓	✓
RSP Rural support programme running microfinance operation as part of multi-dimensional rural development programme	Lachi Poverty Reduction Project (LPRP)	✗	✗
	National Rural Support Programme (NRSP)	✓	✓
	Punjab Rural Support Programme (PRSP)	✓	✓
	Sarhad Rural Support Programme (SRSP)	✓	✓
	Thardeep Rural Development Programme (TRDP)	✓	✓
NGO Non-government organization running microfinance operations as part of multi-dimensional developed programme	Centre for Women Cooperative Development (CWCD)	✗	✓
	Community Support Concern (CSC)	✓	✓
	Development Action for Mobilization and Emancipation (DAMEN)	✓	✓
	Jinnah Welfare Society (JWS)	✓	✓
	Narowal Rural Development Programme (NRDP)	✗	✗
	Organization for Participatory Development (OPD)	✓	✓
	Rural Community Development Society (RCDS)	✓	✓
	Save the Poor (STP)	✗	✗
	Sindh Rural Support Program (Srsp)	✗	✗
	Sungi Development Foundation (SDF)	✓	✗
Swabi Women's Welfare Society (SWWS)	✗	✓	
	Taraqee Foundation (TF)	✗	✗
CFI Commercial financial institution providing microfinance services as separate function	ORIX Leasing Pakistan Ltd. (OLP)	✓	✓
	Bank of Khyber (BOK)	✓	✓

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